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| PROGRAM | International Hour | STATION | CNN-TV |
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| SUBJECT | Role of CIA Debated | | |

BERNARD SHAW: The Central Intelligence Agency, that part of the Executive Branch responsible for coordinating the intelligence functions of government as they relate to national security. That is the agency's role as spelled out in federal directories. It has come under fire recently, allegedly tied to gun-running activities for the rebels fighting the Sandinista regime. Reports of other such covert, and possibly illegal, activities around the globe continue to surface. Several of them are outlined in this book, "Deadly Deceits," an autobiographical account of one agent's 27-year tenure at the agency.

Ralph McGehee joins us now on the International Hour.

Also with us, John Graney, former Associate General Counsel of the CIA and a 29-year veteran. He's now Executive Director of the Association of Former Intelligence Officers.

Mr. McGehee, what are you basically charging in your book?

RALPH MCGEHEE: I guess I'm basically charging that the CIA is not now nor has it ever been an intelligence agency. It's actually the covert-action arm of the presidency. And in that capacity, it goes around the world overturning governments, primarily democratic governments, and imposing brutal dictators.

It, for the most part, is a propaganda agency, also, misinforming and propagandizing the American people. And unfortunately, its intelligence is used as an arm of that propaganda. Its intelligence resembles its propaganda.

SHAW: Mr. Graney, you have never authored a book. You

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and the gentleman to your right served the same masters. What's your view?

JOHN GRANEY: Well, I would like to clarify the status of the agency. And it was established by statute in 1947, the National Security Act of 1947, which enumerates all the functions that the agency is responsible for.

And one of the principal things that is overlooked, in many instances, is that the Director has a statutory responsibility to protect sources and methods. It also has a full line of activities of collating and processing finished intelligence.

In addition to that, there is also an executive order that has been signed by President Reagan which sets forth all the obligations and adherence that the agency must to all laws and directives of the United States and the Congress.

And that's why I would take issue with your opening statement alleging that the CIA is violating the law and gun-running and things of that. They're doing activities that have been approved...

SHAW: Wait a minute. Wait a minute. Let's clear something up. Are you saying that you heard me accuse the CIA of that?

GRANEY: The statement that was made...

SHAW: No, I said "reports."

GRANEY: ...at the beginning.

SHAW: Okay. I said "reports."

GRANEY: Okay. Then that clarifies that.

But it's very important to understand that the functions that the CIA takes and the activities they undertake, as alluded to by Ralph, the fact is that the agency is directed by the National Security Council to perform these functions. It is the policy of the United States Government, and they are the executive agent to carry them out. They then report these activities to the oversight committees of the Senate and the House, and they are informed as to what's going on. The House and Senate then pass the money and they appropriate the finances that the agency runs on. So, it is a coordinated arm of the Executive Branch of Government.

SHAW: But my question to you is, what's your reaction to the very serious charges made by a former fellow CIA member?

GRANEY: Well, I have to disagree with Ralph. And I think the majority of these charges -- I have not read the entire book, but the excerpts of his statements have been that these are very old bones that are being dragged up that have been looked at exhaustively in the things like the Church Committee and the Pike Committee and the oversight committees. And I don't think that these are valid criticisms in today's world.

SHAW: So you think he's made the charges partly to sell books?

GRANEY: Well, I have to say he wrote the book. I assume he wanted to have something to sell it. It took an awful long time to get the book cleared, and maybe he's going to comment on that. But his enthusiasm to have the book cleared didn't get it through in very short order. It took over two years to get it cleared. Not because the agency took two years, but it took Ralph that long to get the chapters submitted to have them reviewed.

SHAW: Is that true?

MCGEHEE: No, that is not true. I did submit it to the agency and they came back and wanted to classify virtually the whole book. And I had to go to the published record, the Church Committee report and the Pike Committee report, to document those areas where the information was in those reports. I ultimately rewrote the book as an autobiography, resubmitted it to the agency under Casey. And at that point, they said they weren't going to let me publish the book at all. And I pointed out that it was a violation of American law, that they couldn't say that information that was in the public domain was classified. And the agency contended that it was tough, they were going to do it anyhow; I couldn't publish the book.

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I finally went to the Washington Post, and The Post wrote an expose [of] how the agency was using its responsibility under the Secrecy Act not to filter out secrets, but to censor criticism.

SHAW: Okay. I'd like to move us on to some contemporary matters.

But Mr. Graney, you seemed to have reached over beside your chair and come up with ammunition. Can you do it briefly?

GRANEY: I have a copy of the hearings that took place before the House Committee on Government Activities, to which the agency submitted a report which documents the dates on which Ralph's book was cleared. And the fact is, it was chapter-by-chapter. It was not a two-year delay.

And as far as the expose, this whole hearing went through the details of the process of pre-publication review in the agency.

SHAW: Mr. Graney, first your thoughts on this question. And then, of course, we'll go to our other guest.

Now we hear charges against the CIA in connection with the Eugene Hasenfus case in Nicaragua. What are your thoughts?

GRANEY: Well, first of all, I think it was such a poorly run operation, it couldn't have been -- I'd be embarrassed if it was run by the CIA, because I think it lacked an awful lot of tradecraft.

Mr. Hasenfus did do work in Southeast Asia. He was an employee of Air America. Air America had been owned by the Central Intelligence Agency. But he was not an employee of CIA. He was a kicker. And I think he was impressed...

SHAW: What's a kicker?

GRANEY: They ride in the back of the airplanes and they kick the bundles out that have parachutes on them when they're resupplying upcountry fortifications and missions.

SHAW: Okay.

Mr. McGehee?

MCGEHEE: Well, he flew out of Ilopango Air Base, which is an American-financed, -controlled air base and a CIA-controlled operation. He was flying in a SAT, Southern Air Transport, airline, which in 1975 was a wholly owned CIA proprietary, and is now flying missions around the world, obviously, for the CIA. They tried to foist it off as maybe it was George Bush running it out of his hip pocket, or maybe it was John Singlaub who was running it as a private organization, or maybe it was the El Salvadoran Air Force. And each one of those stories, of course, has been denied.

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SHAW: Okay.

MCGEHEE: This is a denial process, a cover process that's going through. You have this in all operations, where you have plausible deniability of CIA involvement.

It's quite obvious he was working for the CIA. What else could it be?

SHAW: Mr. McGehee, you began by having the first word.

Now we'll go to Mr. Graney for the last word, as our time runs out.

GRANEY: Thank you.

But the fact is that the airline, Southern Air Transport, was sold in 1973, and it was totally sold and there was litigation. The Senate Select Committee accepted Mr. Casey's answer that the CIA was not involved in the Hasenfus operation in Nicaragua. And I accept their opinion, having heard all the facts -- I haven't heard all the facts, but they did and they said the CIA was not involved.

SHAW: Just one quick question to both you veterans. Can the United States and our national security survive without a CIA?

MCGEHEE: I think the United States cannot survive with the CIA. It will...

SHAW: No, my question is, can it survive without the CIA?

MCGEHEE: We need the best possible intelligence organization we have, but it has to be an intelligence organization. The CIA is a covert-action agency. It does not produce intelligence.

SHAW: Okay, Mr. Graney. You have a big grin on your face.

GRANEY: The CIA is the intelligence coordinator for the entire government. Intelligence is the first line of national defense, and we will need it. And we need it more now than ever, with the threats that come from the opposing countries in the world.

Yes, we do need the CIA.

SHAW: John Graney and Ralph McGehee.

Gentlemen, thank you for being with us on the International Hour.